

State of South Dakota

EIGHTY-SIXTH SESSION LEGISLATIVE ASSEMBLY, 2011

680S0410

SENATE BILL NO. 76

Introduced by: Senators Krebs, Gray, Peters, and Rhoden and Representatives Solum, Fargen, Hunhoff (Bernie), Lust, Rausch, and Turbiville

1 FOR AN ACT ENTITLED, An Act to exempt certain gift certificates and closed-loop prepaid
2 cards from the unclaimed property provisions.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That chapter 43-41B be amended by adding thereto a NEW SECTION to read as
5 follows:

6 The provisions of this chapter do not apply to any gift certificate or closed-loop prepaid card
7 that has no expiration date and that is not subject to a dormancy, inactivity, or service fee. For
8 purposes of this chapter, a closed-loop prepaid card is an electronic payment device that meets
9 the following conditions:

10 (1) Is purchased or loaded, or both, on a prepaid basis in exchange for payment for the
11 future purchase or delivery of goods or services; and

12 (2) Is redeemable upon presentation to a single merchant or an affiliated group of
13 merchants for goods and services.

14 Section 2. That § 43-41B-42 be amended to read as follows:

15 43-41B-42. Any unredeemed gift certificate or closed-loop card that meets the requirements



1 of section 1 of this Act or any open-loop prepaid card or rewards card is subject only to any
2 rights of a purchaser or owner of ~~such~~ the gift certificate or card and is not subject to any claim
3 made by any state acting on behalf of a purchaser or owner.